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ENVIRONMENTAL PROTECTION AGENCY
[FRL-9484-9]

California State Nonroad Engine Pollution Control Standards; Large Spark-Ignition (LSI) Engines; Fleet Requirements for In-Use LSI Forklifts and Other Industrial Equipment; Opportunity for Public Hearing and Comment

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The California Air Resources Board (CARB) has notified EPA that it has amended its emission standards and certification and test procedures for large spark-ignition nonroad engines (“LSI Emission Standards”). CARB has also adopted in-use fleet average emission requirements for large- and medium-sized fleets (“LSI In-Use Fleet Requirements”). California’s LSI In-Use Fleet Requirements are applicable to fleets comprised of four or more pieces of equipment powered by LSI engines, including forklifts, industrial tow tractors, sweepers/scrubbers, and airport ground support equipment. CARB requests that EPA find the amended LSI Emission Standards to be within the scope of a previously granted LSI authorization or, in the alternative, grant a new full authorization pursuant to Clean Air Act section 209(e). This notice announces that EPA has tentatively scheduled a public hearing to consider California’s LSI Emission Standards and LSI In-Use Fleet Requirements, and that EPA is now accepting written comment on the request.

DATES: EPA has tentatively scheduled a public hearing concerning CARB’s request on November 15, 2011, at 10:00 a.m. ET. EPA will hold a hearing only if any party notifies EPA by November 7, 2011, expressing interest in presenting the agency with oral testimony. Parties wishing to present oral testimony at the public hearing should provide

written notice to Kristien Knapp at the e-mail address noted below. If EPA receives a request for a public hearing, that hearing will be held at 1310 L Street, NW, Washington, DC 20005. If EPA does not receive a request for a public hearing, then EPA will not hold a hearing, and instead consider CARB's request based on written submissions to the docket. Any party may submit written comments until December 15, 2011.

By November 14, 2011, any person who plans to attend the hearing may call Kristien Knapp at (202) 343-9949, to learn if a hearing will be held.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-HQ-OAR-2011-0830, by one of the following methods:

- On-Line at <http://www.regulations.gov>: Follow the On-Line Instructions for Submitting Comments.
- E-mail: a-and-r-docket@epa.gov.
- Fax: (202) 566-1741.
- Mail: Air and Radiation Docket, Docket ID No. EPA-HQ-OAR-2011-0830, U.S. Environmental Protection Agency, Mailcode: 6102T, 1200 Pennsylvania Avenue, NW, Washington, DC 20460. Please include a total of two copies.
- Hand Delivery: EPA Docket Center, Public Reading Room, EPA West Building, Room 3334, 1301 Constitution Avenue, NW, Washington, DC 20460. Such deliveries are only accepted during the Docket's normal hours of operation, and special arrangements should be made for deliveries of boxed information.

On-Line Instructions for Submitting Comments: Direct your comments to Docket ID No. EPA-HQ-OAR-2011-0830. EPA's policy is that all comments we receive will be included in the public docket without change and may be made available online at

<http://www.regulations.gov>, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through <http://www.regulations.gov> or e-mail. The <http://www.regulations.gov> website is an “anonymous access” system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through <http://www.regulations.gov>, your e-mail address will automatically be captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses. For additional information about EPA's public docket visit the EPA Docket Center homepage at <http://www.epa.gov/epahome/dockets.htm>.

EPA will make available for public inspection materials submitted by CARB, written comments received from any interested parties, and any testimony given at the public hearing. Materials relevant to this proceeding are contained in the Air and Radiation Docket and Information Center, maintained in Docket ID No. EPA-HQ-OAR-2011-0830. Publicly available docket materials are available either electronically

through <http://www.regulations.gov> or in hard copy at the Air and Radiation Docket in the EPA Headquarters Library, EPA West Building, Room 3334, located at 1301 Constitution Avenue, NW, Washington, DC. The Public Reading Room is open to the public on all federal government work days from 8:30 a.m. to 4:30 p.m.; generally, it is open Monday through Friday, excluding holidays. The telephone number for the Reading Room is (202) 566-1744. The Air and Radiation Docket and Information Center's Web site is <http://www.epa.gov/oar/docket.html>. The electronic mail (e-mail) address for the Air and Radiation Docket is: a-and-r-Docket@epa.gov, the telephone number is (202) 566-1742, and the fax number is (202) 566-9744. An electronic version of the public docket is available through the federal government's electronic public docket and comment system. You may access EPA dockets at <http://www.regulations.gov>. After opening the <http://www.regulations.gov> website, enter EPA-HQ-OAR-2011-0830, in the "Enter Keyword or ID" fill-in box to view documents in the record. Although a part of the official docket, the public docket does not include Confidential Business Information ("CBI") or other information whose disclosure is restricted by statute.

EPA's Office of Transportation and Air Quality also maintains a webpage that contains general information on its review of California waiver requests. Included on that page are links to prior waiver and authorization *Federal Register* notices. The page can be accessed at <http://www.epa.gov/otaq/cafr.htm>.

FOR FURTHER INFORMATION CONTACT: Kristien G. Knapp, Attorney-Advisor,
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Protection Agency, 1200 Pennsylvania Avenue (6405J), NW, Washington, DC 20460.
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SUPPLEMENTARY INFORMATION:

I. California's LSI Regulations

By letter dated December 10, 2008, CARB submitted to EPA its request pursuant to section 209(e) of the Clean Air Act ("CAA" or "the Act"), regarding its regulation of emissions from new off-road large spark-ignition (LSI) engines and its in-use fleet requirements for forklifts and other industrial equipment with LSI engines.¹ The LSI regulations are designed to reduce emissions of hydrocarbons (HC) and oxides of nitrogen (NO_x) from forklifts and other industrial equipment powered by LSI engines. CARB approved the LSI regulations at a public hearing on May 25, 2006 (by Resolution 06-11).² After making modifications to the regulation available on December 1, 2006, and February 1, 2007 for supplemental public comment, CARB's Executive Officer formally adopted the LSI regulations in Executive Order R-07-001 on March 2, 2007.³ The LSI regulations are codified at title 13, California Code of Regulations, sections 2775 through 2775.2⁴

Underpinning CARB's LSI regulations is a set of emission standards for new off-road LSI engines beginning in 2007. The emission standards include: adoption of EPA's 2007 and later model year emission standards for the same engines, more stringent

¹ California Air Resources Board ("CARB"), "Request for Authorization," December 10, 2008, EPA-HQ-OAR-2011-0830-0001.

² CARB Enclosure 1, "Resolution 06-11," EPA-HQ-OAR-2011-0830-0002.

³ CARB Enclosure 2, "Executive Order R-07-001," EPA-HQ-OAR-2011-0830-0003.

⁴ CARB Enclosure 3, "Final Regulation Order," EPA-HQ-OAR-2011-0830-0004.

standards for the 2010 and later model years, optional certification standards, and more rigorous certification and test procedures. The LSI regulations also apply to operators of large- and medium-sized fleets of forklifts, sweepers/scrubbers, airport ground support equipment (GSE), and industrial tow tractors with engine displacements of greater than one liter. These fleets must meet a fleet average in-use emission standard.

II. Clean Air Act Nonroad Engine and Vehicle Authorizations

Section 209(e)(1) of the Act permanently preempts any State, or political subdivision thereof, from adopting or attempting to enforce any standard or other requirement relating to the control of emissions for new nonroad engines or vehicles. States are also preempted from adopting and enforcing standards and other requirements related to the control of emissions from non-new nonroad engines or vehicles. Section 209(e)(2) requires the Administrator, after notice and opportunity for public hearing, to authorize California to enforce such standards and other requirements, unless EPA makes one of three findings. In addition, other states with attainment plans may adopt and enforce such regulations if the standards, and implementation and enforcement procedures, are identical to California's standards. On July 20, 1994, EPA promulgated a rule that sets forth, among other things, regulations providing the criteria, as found in section 209(e)(2), which EPA must consider before granting any California authorization request for new nonroad engine or vehicle emission standards.⁵ EPA later revised these regulations in 1997.⁶ As stated in the preamble to the 1994 rule, EPA has historically

⁵ 59 FR 36969 (July 20, 1994).

⁶ See 62 FR 67733 (December 30, 1997). The applicable regulations, now in 40 CFR part 1074, subpart B, § 1074.105, provide:

(a) The Administrator will grant the authorization if California determines that its standards will be, in the aggregate, at least as protective of public health and welfare as otherwise applicable federal standards.

interpreted the section 209(e)(2)(iii) “consistency” inquiry to require, at minimum, that California standards and enforcement procedures be consistent with section 209(a), section 209(e)(1), and section 209(b)(1)(C) (as EPA has interpreted that subsection in the context of section 209(b) motor vehicle waivers).⁷

In order to be consistent with section 209(a), California’s nonroad standards and enforcement procedures must not apply to new motor vehicles or new motor vehicle engines. To be consistent with section 209(e)(1), California’s nonroad standards and enforcement procedures must not attempt to regulate engine categories that are permanently preempted from state regulation. To determine consistency with section 209(b)(1)(C), EPA typically reviews nonroad authorization requests under the same “consistency” criteria that are applied to motor vehicle waiver requests. Pursuant to section 209(b)(1)(C), the Administrator shall not grant California a motor vehicle waiver if she finds that California “standards and accompanying enforcement procedures are not consistent with section 202(a)” of the Act. Previous decisions granting waivers and authorizations have noted that state standards and enforcement procedures are inconsistent with section 202(a) if: (1) there is inadequate lead time to permit the development of the necessary technology giving appropriate consideration to the cost of

(b) The authorization will not be granted if the Administrator finds that any of the following are true:

- (1) California’s determination is arbitrary and capricious.
- (2) California does not need such standards to meet compelling and extraordinary conditions.
- (3) The California standards and accompanying enforcement procedures are not consistent with section 209 of the Act.

(c) In considering any request from California to authorize the state to adopt or enforce standards or other requirements relating to the control of emissions from new nonroad spark-ignition engines smaller than 50 horsepower, the Administrator will give appropriate consideration to safety factors (including the potential increased risk of burn or fire) associated with compliance with the California standard.

⁷ See 59 FR 36969 (July 20, 1994).

compliance within that time, or (2) the federal and state testing procedures impose inconsistent certification requirements.

III. EPA's Request for Comments

As stated above, EPA is offering the opportunity for a public hearing, and requesting written comment on issues relevant to a full authorization analysis. Specifically, we request comment on: (a) whether CARB's determination that its standards, in the aggregate, are at least as protective of public health and welfare as applicable federal standards is arbitrary and capricious, (b) whether California needs such standards to meet compelling and extraordinary conditions, and (c) whether California's standards and accompanying enforcement procedures are consistent with section 209 of the Act.

IV. Procedures for Public Participation

If a hearing is held, the Agency will make a verbatim record of the proceedings. Interested parties may arrange with the reporter at the hearing to obtain a copy of the transcript at their own expense. Regardless of whether a public hearing is held, EPA will keep the record open until December 15, 2011. Upon expiration of the comment period, the Administrator will render a decision on CARB's request based on the record from the public hearing, if any, all relevant written submissions, and other information that she deems pertinent. All information will be available for inspection at the EPA Air Docket No. EPA-HQ-OAR-2011-0830.

Persons with comments containing proprietary information must distinguish such information from other comments to the greatest extent possible and label it as "Confidential Business Information" ("CBI"). If a person making comments wants EPA

to base its decision on a submission labeled as CBI, then a non-confidential version of the document that summarizes the key data or information should be submitted to the public docket. To ensure that proprietary information is not inadvertently placed in the public docket, submissions containing such information should be sent directly to the contact person listed above and not to the public docket. Information covered by a claim of confidentiality will be disclosed by EPA only to the extent allowed, and according to the procedures set forth in 40 CFR Part 2. If no claim of confidentiality accompanies the submission when EPA receives it, EPA will make it available to the public without further notice to the person making comments.

Dated: October 25, 2011

Margo Tsirigotis Oge, Director
Office of Transportation and Air Quality
Office of Air and Radiation

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